

**STATE BONDING FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF APRIL 30, 2004**

	April-04				March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation	Month	Policy	Net ROR	Allocation	Quarter	Policy	Net ROR	Allocation	Quarter	Policy	Net ROR	Allocation	Quarter	Policy	Net ROR	FYTD	FY03	Ended	Ended
	Market Value	Actual			Market Value	Actual			Market Value	Actual			Market Value	Actual			Net	Net	6/30/2003	6/30/2003
																			Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<i>Structured Growth</i>																				
Los Angeles Capital	89,044	2.2%	2.3%	-0.54%	93,581	2.3%	2.3%	-0.34%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	0	0.0%	0.0%	N/A	0	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>89,044</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-0.54%</b>	<b>93,581</b>	<b>2.3%</b>	<b>2.3%</b>	<b>-0.34%</b>	<b>92,862</b>	<b>2.4%</b>	<b>2.3%</b>	<b>9.12%</b>	<b>85,073</b>	<b>2.3%</b>	<b>2.3%</b>	<b>4.99%</b>	<b>13.55%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				-1.16%				0.79%				10.41%				3.92%	14.30%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																				
LSV	89,034	2.2%	2.3%	-2.38%	92,584	2.3%	2.3%	6.22%	93,798	2.4%	2.3%	15.66%	81,203	2.2%	2.3%	3.75%	24.43%	-2.25%	8.84%	3.73%
Russell 1000 Value				-2.44%				3.03%				14.19%				2.06%	17.14%	-1.02%	-0.19%	1.05%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	184,142	4.6%	4.5%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Russell 1000				-1.81%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																				
Westridge	179,558	4.5%	4.5%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
S&P 500				-1.57%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
<i>Index</i>																				
State Street	41,351			-1.57%	37,267			1.68%	420,301			12.16%	374,694			2.64%	15.20%	0.23%	-11.28%	-1.69%
Transition Account	187			N/A	376,598			N/A	N/A			N/A	N/A			N/A	N/A	N/A	N/A	N/A
<b>Total Index</b>	<b>41,537</b>	<b>1.0%</b>	<b>1.5%</b>	<b>-1.57%</b>	<b>413,865</b>	<b>10.2%</b>	<b>10.5%</b>	<b>1.68%</b>	<b>420,301</b>	<b>10.7%</b>	<b>10.5%</b>	<b>12.16%</b>	<b>374,694</b>	<b>10.0%</b>	<b>10.5%</b>	<b>2.64%</b>	<b>15.20%</b>	<b>0.23%</b>	<b>-11.28%</b>	<b>-1.69%</b>
S&P 500				-1.57%				1.69%				12.18%				2.64%	15.26%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>583,315</b>	<b>14.7%</b>	<b>15.0%</b>	<b>-2.22%</b>	<b>600,031</b>	<b>14.8%</b>	<b>15.0%</b>	<b>2.91%</b>	<b>606,962</b>	<b>15.4%</b>	<b>15.0%</b>	<b>12.20%</b>	<b>540,970</b>	<b>14.5%</b>	<b>15.0%</b>	<b>3.15%</b>	<b>16.46%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				-1.57%				1.69%				12.18%				2.64%	15.26%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<i>Manager-of-Managers</i>																				
SEI	195,298	4.9%	5.0%	-5.02%	214,337	5.3%	5.0%	6.61%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	27.30%	0.09%	N/A	N/A
Russell 2000 + 200bp				-4.93%				6.78%				15.07%				9.60%	28.03%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>195,298</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-5.02%</b>	<b>214,337</b>	<b>5.3%</b>	<b>5.0%</b>	<b>6.61%</b>	<b>205,804</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.82%</b>	<b>179,207</b>	<b>4.8%</b>	<b>5.0%</b>	<b>9.48%</b>	<b>27.30%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				-5.10%				6.26%				14.52%				9.07%	25.96%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>																				
TCW	396,213	10.0%	10.0%	-2.90%	414,944	10.2%	10.0%	2.50%	404,853	10.3%	10.0%	9.98%	368,085	9.8%	10.0%	1.85%	11.49%	10.23%	-9.51%	3.90%
First Boston Convertible Index				-1.93%				2.57%				8.54%				2.67%	12.10%	15.46%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>																				
<i>Large Cap - Active</i>																				
Capital Guardian	342,436	8.6%	8.0%	-0.62%	341,459	8.4%	8.0%	3.50%	328,754	8.3%	8.0%	13.03%	293,175	7.8%	8.0%	8.14%	25.73%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				-0.53%				4.09%				13.15%				6.58%	24.87%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>																				
Lazard	31,333	0.8%	1.0%	-0.10%	45,866	1.1%	1.0%	8.63%	42,104	1.1%	1.0%	14.50%	39,792	1.1%	1.0%	9.92%	36.58%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				-3.20%				12.80%				13.31%				15.95%	43.46%	N/A	N/A	N/A
<i>Small Cap - Growth</i>																				
Vanguard	30,527	0.8%	1.0%	-1.98%	43,063	1.1%	1.0%	10.37%	45,179	1.1%	1.0%	14.06%	38,606	1.0%	1.0%	14.95%	41.85%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				-3.20%				12.80%				13.31%				15.95%	43.46%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>404,296</b>	<b>10.2%</b>	<b>10.0%</b>	<b>-0.70%</b>	<b>430,388</b>	<b>10.6%</b>	<b>10.0%</b>	<b>4.76%</b>	<b>416,037</b>	<b>10.6%</b>	<b>10.0%</b>	<b>13.28%</b>	<b>371,574</b>	<b>9.9%</b>	<b>10.0%</b>	<b>8.97%</b>	<b>28.41%</b>	<b>-9.20%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				-0.53%				4.09%				13.15%				6.58%	24.87%	-11.24%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>																				
<i>Core Bond</i>																				
Western Asset	936,872	23.5%	16.7%	-2.41%	1,020,706	25.2%	25.0%	2.96%	993,545	25.2%	25.0%	1.62%	973,882	26.0%	25.0%	-0.16%	1.94%	12.77%	11.23%	8.12%
Lehman Aggregate				-2.60%				2.66%				0.32%				-0.14%	0.16%	10.39%	10.07%	7.54%
<i>Index</i>																				
Bank of ND	674,410	17.0%	25.0%	-2.36%	561,648	13.8%	15.0%	3.01%	532,410	13.5%	15.0%	0.07%	532,752	14.2%	15.0%	-0.46%	0.18%	13.26%	10.87%	7.78%
Lehman Intermediate Gov/Credit (1)				-2.37%				3.08%				-0.03%				-0.50%	0.10%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																				
Strong	377,013	9.5%	8.3%	-3.16%	413,896	10.2%	10.0%	3.30%	411,262	10.4%	10.0%	1.46%	408,258	10.9%	10.0%	0.02%	1.51%	17.91%	N/A	N/A
Lehman US Credit BAA				-3.22%				3.41%				1.22%				0.27%	1.58%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,988,296</b>	<b>50.0%</b>	<b>50.0%</b>	<b>-2.55%</b>	<b>1,996,250</b>	<b>49.2%</b>	<b>50.0%</b>	<b>3.05%</b>	<b>1,937,217</b>	<b>49.2%</b>	<b>50.0%</b>	<b>1.15%</b>	<b>1,914,892</b>	<b>51.2%</b>	<b>50.0%</b>	<b>-0.21%</b>	<b>1.36%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				-3.07%				3.08%				-0.03%				-0.50%	-0.61%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																				
<i>Bank of ND</i>																				
90 Day T-Bill	411,093	10.3%	10.0%	0.09%	400,415	9.9%	10.0%	0.29%	370,039	9.4%	10.0%	0.29%	364,833	9.8%	10.0%	0.30%	0.97%	1.57%	3.26%	4.15%
				0.08%				0.24%				0.26%				0.25%	0.83%	1.52%	3.33%	4.08%
<b>TOTAL BONDING FUND</b>	<b>3,978,510</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.21%</b>	<b>4,056,365</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.96%</b>	<b>3,940,911</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.37%</b>	<b>3,739,560</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.97%</b>	<b>8.18%</b>	<b>7.52%</b>	<b>1.61%</b>	<b>4.90%</b>
POLICY TARGET BENCHMARK				-2.26%				2.80%				4.65%				1.59%	6.82%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.